

FINDING OF EMERGENCY

These regulations are being implemented on an emergency basis for the immediate preservation of the public peace, health and safety, or general welfare, within the meaning of Government Code Section 11346.1.

DESCRIPTION OF SPECIFIC FACTS WHICH CONSTITUTE THE EMERGENCY

1. Effective January 1, 2001, Senate Bill (SB) 962 (Chapter 795, Statutes of 2000) amended Section 11006.2 of the Welfare and Institutions Code to provide for the delivery of public assistance benefits by direct deposit in each county that offers a program of direct deposit by electronic funds transfer to some or all of their employees. Fifty-six (56) of 58 counties provide direct deposit to some or all of their employees.
2. Prompt clarification of SB 962 is necessary so counties will know which programs are considered public assistance benefits for which they must offer direct deposit.
3. Failure to implement the necessary clarifications and interpretations may result in some recipients not receiving the opportunity to have public assistance benefits delivered by direct deposit.
4. The stated legislative intent of SB 962 relates the need for direct deposit to the transition of recipients from welfare benefits to self-sufficiency through employment. The direct deposit requirement, for counties that provide direct deposit to their employees, is intended to eliminate a barrier to full participation by recipients in the economic mainstream and to assist welfare recipients in their transition to employment.
5. The nonemergency rulemaking process set forth in the Administrative Procedure Act is sufficiently lengthy that it is not possible to adopt the necessary state regulations in a timely manner to ensure that recipients are correctly provided with direct deposit delivery of their public assistance benefits.

INFORMATIVE DIGEST

These proposed regulations implement and make specific SB 962, Chapter 795, Statutes of 2000, which amended Section 11006.2 of the Welfare and Institutions Code. SB 962 states that California welfare recipients are in the process of making the transition from welfare into the paid labor market. Part of this transition should include participation in the economic mainstream by having the choice to establish banking relationships. Direct deposit of public assistance payments is provided to assist welfare recipients in this transition by reducing a barrier to full participation in the banking system.

The Department is required to provide for the delivery of public assistance payments, more specifically, current regulations specify that public assistance payments be issued as a paper warrant. The proposed regulations add that the public assistance payments may be issued by an electronically-based system. The proposed regulations, consistent with Section 11006.2 of the

Welfare and Institutions Code, provide for the direct deposit of public assistance payments as specified; including that the direct deposit of assistance payments shall be available to CalWORKs recipients in any county that offers a program or direct payroll deposit to some or all their employees and that the CalWORKs recipient can request direct deposit at any time.

COST ESTIMATE

1. Costs or Savings to State Agencies: Additional expenditures of approximately \$582,000* in the current state fiscal year (FY). * These costs were included in the FY 2001-02 Appropriation.
2. Costs to Local Agencies or School Districts: The County Welfare Departments are not required to spend above their Maintenance of Effort Level for the CalWORKs program. There are no costs to school districts.
3. Nondiscretionary Costs or Savings to Local Agencies: None.
4. Federal Funding to State Agencies: Additional expenditures of approximately \$5,077,000* in the current state fiscal year (FY). * These costs were included in the FY 2001-02 Appropriation.

LOCAL MANDATE STATEMENT

These regulations do constitute a mandate on local agencies, but not on local school districts. There are state mandated local costs that require reimbursement, which is provided in the Budget Act to cover any costs that local agencies may incur.

AUTHORITY AND REFERENCE CITATIONS

The California Department of Social Services adopts these regulations under the authority granted in Sections 10553, 10554, and 11006.2 of the Welfare and Institutions Code. Subject regulations implement and make specific Sections 10063(a), 10553, 10554, and 11006.2 of the Welfare and Institutions Code; Sections 29850, 29851, 29852, 29853, 29853.5, and 29854 of the Government Code; and the Invitation to Partner (ITP), Health and Welfare Agency Data Center, California Electronic Benefit Transfer (EBT) System, ITP - HWDC 8024, dated August 3, 1999, Appendix B: Glossary.